

Submission by Public Universities Australia to the Senate
Education and Employment Legislation Committee
pertaining to the *Jobs and Skills Australia Bill 2022*

Public Universities Australia (PUA) speaks for seven organisations that, between them, represent the majority of the higher education sector and a broad cross-section of university academic staff and students. It does not currently represent the Vice-Chancellors and their university management, or the TAFE/VET systems.

Our universities, however, are responsible for the education of all professionals requiring any tertiary qualification in Australia, and to that extent, they are also responsible for some areas of skills training. They are equally responsible for the education of many TAFE/VET lecturers. To that extent PUA is very interested in the Bill and its possible outcomes.

1. Introduction: The Purpose of Public Education

In his Second Reading speech to the House of Representatives introducing the Jobs and Skills Australia Bill 2022 (27 July 2022) the Minister for Skills and Training, Mr Brendan O'Connor MP, stated that it is the desire of the government to ensure meaningful and secure employment for all Australians, which provides a sense of purpose and identity, and yet that is unlikely to ever be achieved while our economy continues to shrink, lacking sufficient government leadership and investment, or while many tertiary graduates remain unable to obtain careers appropriate to their qualifications, or while an estimated one million unemployed Australians often with extensive employment experience, skills and qualifications, are likewise unable to obtain relevant employment, or while millions of working Australians are unable, through their earned income, to adequately support themselves and their dependents with an acceptable work-life balance. We would argue that the diagnosis of the problem of skills and labour shortages as assumed by the Minister's speech requires some qualification.

Public Universities Australia would contend that the primary purpose of any state-supported system of education is not employment: it is the full development of every

individual's potential and abilities, and their formation as responsible citizens in a democratic society. It should produce knowledge and capabilities that contribute to a sustainable society and planet. Such an education is essential to the functioning of society far beyond any purely economic contribution or qualification for employment. No other country has sought to shape its entire education system so closely in relation to alleged but seemingly never achieved national economic priorities as Australia has. Instead, they retain a broader and less determining conception of what education is and what purposes it serves within a complex, diverse and healthy society. At the same time, only a sufficiently developed and diversified, well-regulated economy is capable of providing meaningful and sufficient employment for every citizen, in Australia or anywhere else, such that, irrespective of individuals' interests and abilities and education choices, they can all find appropriate and satisfying employment throughout their working lives. Australia does not have such an economy, and it is not just a coincidence that it also has not traditionally valued and supported education for purposes aside from employment with obvious economic benefit, despite paying lip-service to such principles.

In order for Mr O'Connor and his government's vision to be realised, PUA would argue that we need to consider radical changes in every aspect of our economy and in government and business behaviour, as outlined in this submission. We also require a relaxation of the obsession with national economic priorities, equal respect for and support of university education and all university discipline areas and career preferences, as part of a commitment to the public purposes and function of state-supported education.

2. The Proposed Establishment of Jobs and Skills Australia ('JSA')

It might be expected that any country with a developed economy would already have public servants and government bodies who routinely undertake the work envisaged by this Bill. There have been numerous policy formulations, independent analyses and other attempts to address all of these areas of responsibility in Australia over decades. This begs the question why all previous attempts and activities have been deemed to have failed, in what ways the establishment of this office will have learned from past mistakes and be able to provide anything new, and how precisely its defined tasks

will be performed differently from and better than all previous responses, such as consultation with relevant and interested stakeholders – who include every working-age Australian? To what extent would the establishment of the office of JSA also duplicate or improve existing government activities in this area?

In his Second Reading speech, Minister O'Connor described JSA as being "independent", but the nature of that independence is unclear. This office is an informative and advisory role only, while ultimate responsibility for making all appropriate decisions based upon such information and advice remains with the Minister. The basis upon which the Minister will make such decisions remains unspecified and unaccountable; the success of this office as envisaged by the Minister will also come down to the level of engagement it can command across the entire government.

Any genuinely and lasting effective response to these challenges will, we suggest, ultimately require acting in ways that no previous government has acted, and upon addressing a series of problems that are likely to prove very contentious and difficult, including industrial relations, major tax reform, and massive venture capital investment in economic development and diversification.

3. Current Causes of Labour and Skills Shortages and How Government Might Address Them

TAFE colleges were once an excellent, high-quality provider of education and training. However, due to a variety of factors, including privatisation, they have been allowed to decline dramatically such that they are no longer capable in many instances of delivering what they once did. They have been insufficiently funded, poorly managed by administrators, and the quality of their online training, which largely lacks any practical experience during training where appropriate, is not an adequate alternative to what was previously available. The physical resources and assets of TAFE colleges have been dramatically reduced or lost, and the mass casualization of many TAFE teachers has also been self-defeating. Without very substantial increases to their permanent teaching staff, they cannot deliver on the current government's commitments.

Casualization of any professional educators, whether in TAFE colleges or universities or schools, is not appropriate to the delivery of quality education and training, to the continuation in those careers of those professionals, nor compatible with the earning of a liveable income. The TAFE system has predictably suffered under the usual tensions between Commonwealth and state & territory jurisdictions, regulatory and funding responsibilities, which plagues most public service delivery in this country, and those tensions would need to be permanently resolved.

Increasingly, our education and training staff (as well as in other sectors) have been subjected to a 'demand' model, whereby staff are casually or contract employed to provide courses only when management deems that there is sufficient 'demand' or need for those courses. This model is responsible for the loss of professional expertise among teachers, because it fails to ensure through continuing full-time employment or an effective alternative, that all of the expertise possessed by those teachers remains permanently at the disposal of institutions and the country. It is not reasonable to expect that such highly-educated professionals rely upon Centrelink or other employment to support themselves during periods when they are not contracted to teach and then be instantly available at the whim of an institution's management to teach courses as required. Yet that is precisely what we have expected of tens of thousands of such teaching staff over more than two decades.

This condition of permanently insecure and often insufficient employment in what ought to be well-remunerated, lifelong professional career paths is directly responsible for the irreplaceable loss of many of these professionals and, consequently, of the expertise they should be better able to contribute to our national education and training – and society generally. It is exactly the same short-sighted cost-cutting mistreatment of these professionals that is also responsible for the mass loss of professional workers in other sectors and, therefore, to one dimension of our skills shortage.

Government must decide whether it is prepared to spend the money needed in order to ensure that the country has and retains sufficient teaching staff in all areas of its education and training systems. The private sector cannot be relied upon to spend such money. Government will not achieve its desired outcomes by constant cost-cutting and

job cuts in these professions. Government over much of the post-war period of education and training has constantly sought to reduce costs by not properly funding education and training to the same standard it is funded in most other advanced economies, and in this respect government is directly responsible for many problems we now face. Both casualization of a majority of the teaching workforce in these areas and unacceptably high teacher-student ratios are important causes of additional problems here, as these also directly affect the quality and standards of teaching.

It is equally important that the quality and standards of all post-secondary education and training be reviewed, as it is clearly and consistently sub-standard. That is true both in our universities and in our TAFE/VET systems. We have not defined the mandatory minimum content of every degree and certificate course and ensured that that content is taught in every institution, and properly mastered by every student before they graduate. Greater emphasis has consistently been placed upon completion statistics and funding parameters than upon ensuring that every graduate is actually fully competent in their chosen fields. No existing quality and standards authority or protocol is adequate. In the case of universities, managements have been allowed to determine what they will or will not teach, with the result that the content of every degree in every university in Australia has been gutted, by comparison with what was once taught here and from what is still taught internationally. It is inappropriate to have people without academic competence making decisions affecting education and training course content. The entire mismanagement of education and training in these respects is the legacy of successive Australian governments, and is in need of wide-ranging, root and branch reform.

Government should also consider providing more adequate financial assistance to students across all areas of education and training. The fact that most university students are forced into paid work while studying in order to support themselves reduces the time investment in their studies, which also means they do not engage with their subjects as well as they need to. Further, the fact that students in training schemes are also now no longer properly remunerated as they once were or provided with adequate financial assistance during their training places similar strains upon their learning engagement. Ideally, no student should find themselves in financial distress during their study and training.

Another cause of our national skills shortage is the fact that we have often failed properly to employ them once trained, which has forced them to leave their sectors after having acquired and often significantly exercised their skills. We also now have substantial numbers of often highly skilled and educated Australians who are permanently or long-term unemployed, often no longer actively seeking employment but who, under appropriate conditions, could be returned to the workforce. It is inexplicable that, in discussing skills and labour shortages, government consistently ignores the enormous reserves we already have in mostly older, unemployed but experienced and qualified people.

Government policies pertaining to the unemployed focus disproportionately upon youth unemployment, and seek to force unemployed people into any available job, no matter how abominably badly remunerated, temporary, or how irrelevant it may be to individuals' interests, abilities, career or education choices. Lack of support prevents many people from living in or moving to areas where they may find reasonable employment; there is for many no financial assistance to retrain, and Centrelink legislation does not recognise or allow some forms of retraining or additional education for the unemployed. Government has also failed to effectively end age discrimination and enable older experienced and qualified Australians to return to jobs in their appropriate fields. All of this constitutes a systemic wastage of existing human resources and skills in this country.

We have substantial numbers of teachers, nurses, and others, who have acquired qualifications but who have also chosen to leave those sectors due to the unacceptable and unsustainable conditions of employment and to seek perhaps less skilled but more secure and better remunerated and less stressful employment elsewhere. We have many people with certificates qualifying them to work in aged-care, child-care and early education, disability services, and similar sectors, but who refuse to do so for the same reasons. Extremely unattractive and insupportable employment conditions also discourage people from doing other jobs as well. Until it is possible for every worker in any sector in this country to earn regular and sufficient wages or salaries to be able to comfortably and securely support themselves and their dependents, and to have suitable career opportunities throughout their working lives, we will not resolve this

aspect of our skills shortage. This will require a radical improvement of industrial relations in favour of employees.

The claims of employers who oppose such improvement should be critically assessed, as in many instances they are not defensible. There is no justification for the common argument that higher wages and better conditions would reduce investment and productivity. Employers have for many years enjoyed high levels of profit and favourable tax conditions without re-investing those profits into their workforce and businesses or spending larger amounts of venture capital. Vastly different employer practices, employee rights, and significantly higher levels of corporate and personal income taxation in other, more advanced economies, have had no discernible impact upon their productivity, public service delivery or standards of living – which are typically better than in Australia. Australian labour costs are not exceptionally high in international comparison, even if a simple comparison of incomes fails to take full account of all variables. If Australia has problems with costs of business, it is rather due to often exorbitantly excessive government fees and charges, other unsustainable costs, over-regulation in some areas with under-regulation in others, an insufficiently skilled workforce comparable with those in other countries with high-end manufacturing sectors and stronger investment in training and education, and poor infrastructure to support business in this country. This is exacerbated by political short-termism not providing businesses with long-term bi-partisan stability and security.

We also have considerable numbers of tertiary graduates who, while they may be recorded as being employed, are not employed specifically in sectors that require or utilise their tertiary qualifications. This is also caused by Australia not generating sufficient jobs and career pathways for people in diverse areas that are capable of utilising the qualifications they have been encouraged to acquire. This country has pursued a policy over many decades of encouraging more Australians to complete high school and post-secondary education and training, which has been achieved, but without ever implementing any long-term economic strategy that would ensure all of those graduates suitable jobs and careers.

In view of the particular emphasis placed upon STEM+ education, it is important to consider how many STEM+ university graduates are not in jobs that require or use

those degrees. It should be borne in mind that government has in recent decades cut many jobs once held by STEM+ graduates; many of those graduates are now also in casualized, insecure employment or have gone overseas. Many engineers now work in privatised or out-sourced employment which has replaced on-going government employment. Further examples include: in 2013/5 this country terminated approximately 600 positions in the CSIRO; in the past two years we have lost approximately 17,000-40,000+ university academic jobs, including in STEM+ disciplines, and many of those professionals have not obtained and will not obtain new jobs elsewhere and will no longer be able to make an appropriate contribution to the economy. Much of the IT and technology used by business in this country are imported, not locally generated, and we have never fully invested in domestic development of our own research outcomes and innovation, including WiFi, the internet or climate science. For all of these reasons, it is difficult to see how or where large numbers of STEM+ graduates can be expected to find suitable careers in Australia in the foreseeable future.

Australia is the only OECD country to have supported a continuous 'brain drain' for over 60 years, and we still have proportionately (per capita) the largest ex-patriot population living and working abroad of any developed country (recently estimated at about 500,000), including the US. Such a sizeable diaspora of a national population from a 'developed' nation is more commonly caused by war or political oppression than by economic disadvantage. While it would be natural that some Australians would work abroad for parts of their careers or permanently, it is not in any respect 'normal' that we have experienced this problem over at least six decades and in such high numbers, when no other country has. This also represents an enormous and incalculable loss of skills to this country, across many sectors, including R&D, innovation, academics, and the Arts community. The fundamental cause of this problem is the lack of sufficient investment in such people by government, the business community, and other employers to retain them in their own country. Repeated schemes designed to attract some of these people back to Australia cannot be described as successful, and have failed because they did not offer permanent employment or career paths or sufficient investment funding comparable with what they already have abroad. In some of those cases they also represent significant job and revenue losses to Australia that have instead benefited their more generous host countries.

On the other hand, we have become increasingly dependent upon foreign student labour and temporary or permanent recruitment of skilled overseas workers, but many of these people have experienced considerable difficulty actually obtaining employment in Australia using their education, training and experience acquired in and paid for by other countries; they have often been employed at rates below the minimum wage; and they are being exploited by employers to fill skills and labour gaps that Australia should not have in the first place, and which we would not have if the actual causes of those problems had been effectively prevented by governments. There is no reason why Australia should ever depend upon immigration to fill skills and labour gaps.

It is also the case that in diverse sectors, including in universities, fully qualified and experienced Australians have been left under- and unemployed while overseas recruits have been offered positions here. The ease with which foreign workers can be brought into this country and take positions from Australians or do work that Australians are willing and able to do – a claim that should be taken more seriously than it often is – is another factor that suggests that we do not necessarily have the skills shortage often alleged, but that employers have other, self-interested reasons for causing or claiming this shortage.

4. What Skills Do We Need in Our Workforce?

Despite the repeated iteration of an alleged need for skills, no government has to date addressed why we have not ensured that sufficient Australians *have* acquired those skills, or how they ought to be acquired. The business community likewise has claimed that many Australians lack skills they say they need for over two decades, but they have not defined precisely what those skills are or how they should be acquired if employers refuse to enable people to acquire them. It is conceivable that the business community has not adequately defined the skills which it refuses to provide itself in order to legitimise the continued recruitment of often cheaper and more exploitable overseas workers while leaving some Australians under- or unemployed.

One reason why we may have some skills shortages is because employers and private sector training colleges have been expected to provide the requisite training but have failed to do so. We will not ensure that sufficient Australians have such skills if the

training and education systems or mechanisms that should deliver them are not fit for purpose. This requires considerable investment by both governments and employers, neither of which have been willing to provide that investment. It also requires better regulation of education providers by government or independent agencies, and it requires continued employment during which skills can be built upon and added to, instead of terminating employment arbitrarily and expecting people to fund their own continued training and up-skilling and the acquisition of more certificates or degrees, with no assurance of then returning to the workforce and being able to utilise those qualifications.

We also have national shortages in some professional areas, such as medicine, that have been caused by overly restricting admission to university medical degrees, as well as to the insufficient investment in regional and rural health services, such that GPs, specialists, and other professionals are not employed in sufficient numbers, or under sufficiently favourable conditions everywhere that they are needed across the country. It should not be necessary to recruit doctors, nurses and other professionals from other countries that have invested in their education and training and which still need them, to fill gaps here which we should never have had, if we had invested sufficiently in the education and training for our own people.

5. Concluding Remarks

Due to the poor policy settings and mis-management of our universities and TAFE sector over the past 30 years, Australia is currently not capable of providing high quality and standards in professional education in any discipline area. At the same time in other sectors, many qualified professionals are now leaving and creating labour shortages because of the unsustainability of their current employment and workloads. Ultimately, therefore, realising the laudable aims of the JSA, we would contend, will require wholesale institutional reform alongside an integrated national economic strategy led and supported by government.

Thank you for considering this submission.

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